SUBCONTRACT AGREEMENT

CHINA RAILWAY INTERNATIONAL CO., LTD. SERBIA OGRANAK BEOGRAD, with the registered seat in Rajka Mitića 8. Beograde 11000, registration no: 29507228, tax identification no: 110034583, represented by Mr. Zhou xin, by power of attorney dated November 10, 2023 (**Contractor**)

And

HONG HU DOO BEOGRAD, with the registered seat in Belgrade, Surčinski put 10k, registration no: 21787434, tax identification no: 113006194, represented by Mr. Peng Jiaying (**Subcontractor)**

(Hereinafter individually also referred to as **the Party** and jointly referred to as **the Parties**)

WHEREAS the Commercial Contract on modernization and reconstruction of Hungarian-Serbian Railway connection in the territory of the Republic of Serbia, was entered by the Government of the Republic of Serbia, Infrastructure of Serbian Railways JSC (**Investor**) and Joint venture of China Railway International Co., Ltd. and China Communications Construction Company Ltd.

WHEREAS CHINA RAILWAY INTERNATIONAL CO., LTD. SERBIA OGRANAK BEOGRAD, and the Contractor concluded the Contract on subcontracting works (**Main Contract**).
WHEREAS in accordance with the Main Contract, the Contractor is entitled to subcontract part of the construction works.

Therefore, the Parties agree as follows

Subject

Article 1

The subject of this contract is the office renovation and the supply of necessary materials, in accordance with the annex (**appendix**) to this agreement.

Price

Article 2

The total compensation for all the work paid by the contractor to the subcontractor shall be mutually agreed upon by both parties, with the material, installation, and decoration costs amounting to 9,237,180.00 RSD（40% advance payment: 3,694,872.00rsd, balance payment: 5,542,308.00rsd）, excluding value-added tax ('**Contract Price**'). For detailed information regarding the materials, please refer to the attached annex.

Method of payment

Article 3

The portion of the price as stipulated in Article 2 of this agreement shall be paid according to the

following schedule:

- Payment shall be made upon invoicing of the agreed price.
- The contractor shall pay 40% of the advance payment before construction, and the full amount shall be paid after completion acceptance.

Obligations of the Subcontractor

Article 5

The Subcontractor shall

- To complete all specified projects according to the agreed-upon time and quality requirements outlined in this contract, in accordance with relevant regulations and standards.
- To be responsible for providing qualified construction personnel, ensuring safety and quality throughout the construction process.
- To guarantee that the materials used comply with relevant regulations and standards.
- To ensure safety during the course of the project.

The subcontractor commits to executing the relevant works in a professional and quality manner in all aspects, in accordance with the legal regulations, norms, and standards applicable to such work. The subcontractor is obligated to adhere to all safety instructions necessary for construction at the construction site, including the use of appropriate safety equipment as required by the governing authorities, contractor's instructions, and regulatory requirements.

The subcontractor shall assume full responsibility for all actions, construction methods, and suitability, stability, and safety of all work carried out on the site, whether or not it has received any approval or consent from the contractor's representative.

Furthermore, the subcontractor shall be responsible for any damages incurred by any third-party subcontractors related to the site, as if the damages were caused on-site.

Upon completion of all works forming the subject matter of this agreement and after the issuance of the certificate of completion, the subcontractor shall submit a final report (final payment certificate) for approval by the contractor's representative. The provisions of this clause shall apply accordingly to the approval of the final payment certificate.

Obligations of the Contractor

Article 5

The Contractor undertakes to pay the Subcontractor the agreed price under the conditions and in the manner specified in Articles 2 and 3 of this Contract.

STANDARD AND SPECIFICATIONS

Article 6

The engineering standards and specifications related to Works as stipulated in the Main Contract are applicable to the Works. Any alterations to the engineering standards or specifications proposed by Subcontractor shall be subject to Contractor，s, i.e., Employer’ s approval.

TIME OF COMPLETION AND DEFECT LIABILITY PERIOD

Article 7

The project completion time shall be one month from the date of signing this agreement.

In the event of a delay in completing the project within the agreed-upon timeframe, the subcontractor shall be obligated to take all reasonable measures at its own expense to rectify the consequences of the delay.

The contractor is entitled to impose a penalty on the subcontractor for each day of non-compliance with the defined obligations, amounting to 0.1% of the contract price per day. The maximum penalty amount shall not exceed 10% of the estimated contract price.

Article 8

The parties agree that the provisions of the Main Contract shall be applied to the receipt and acceptance of the works under this Agreement.

Article 9

The subcontractor shall be responsible for addressing any defects in the project for a period of 12 months following project acceptance (warranty period).

Any defects in the project shall be rectified at the subcontractor's expense. The subcontractor is free to choose the method of rectifying defects, and rectifying the defects shall be the sole requirement on the part of the contractor in this regard.

If the subcontractor fails to rectify these defects within the specified period as indicated in a jointly agreed-upon and signed report, the contractor reserves the right to rectify these defects on their own or at the subcontractor's expense by hiring a third-party subcontractor.

RESOLUTION OF DISPUTES AND APPLICABLE LAWS

Article 10

Any disputes arising from or in relation to this Subcontract shall be resolved by the parties in an amicable way. If the parties fail to settle the dispute amicably, the parties agree that any dispute arising out or in connection with the present contract shall be brought to Commerce Court in Belgrade. As applicable law, the parties determine the law of the Republic of Serbia.

VALIDITY AND TERMINATION OF THE AGREEMENT

Article 11

This Subcontract takes effect from the date when it is being signed by authorized representatives of both parties and terminates on the completion obligations and responsibilities of both parties specified in this Subcontract.

Contractor may terminate this Subcontract as a result of a fault by the Subcontractor, on the

same ground, in the same manner, under the same terms and conditions and with the same consequences as stipulated in the Main Contract in case of termination by the Employer.
Subcontractor may terminate this Subcontract as a result of a fault by the Contractor, on the same ground, in the same manner, under the same terms and conditions and with the same consequences as stipulated in the Main Contract in case of termination by the Contractor.

Article 12

In the case of the termination of the Main Contract and provided that the Employer does not require the transfer of this Subcontract in line with the provisions of the Main Contract, this Subcontract shall be considered terminated.

OTHER PROVISIONS

Article 13

The contracting parties shall notify each other about any significant circumstances related to the fulfilment of this Subcontract and the Main Contract.

Each party undertakes to keep any information related to the other party or to the subject of the Subcontract confidential, except where such information is publicly known, or a party has become aware of it in another way.

Contractor agrees that Subcontractor may submit data on the Contractor or the Subcontract to other members of the Subcontractor' s Group.

During the implementation of the Works and other activities related directly or indirectly thereto, the parties undertake to observe and comply with all the provisions regarding taxation, the fight against corruption, monopolies, money laundering, environmental protection, employee protection and the like, i.e. to refrain from any activities that may constitute bribery, violation of the fundamental rights of employees or regulations governing child labour. Subcontractor undertakes responsibility for the health and safety of all its employees, it shall be obliged to act in line with applicable laws regarding environmental protection and to exert maximum effort to promote this Code of Conduct among its suppliers.

Contractor **Subcontractor**

HONG HU DOO BEOGRAD

Appendix:

Office Renovation		
Project	Price	Remarks
Kitchen and Plumbing Material for Renovation	RSD 2,524,000	Includes renovation of kitchen and dining area, plumbing and electrical modifications, three-phase power system upgrade, etc.
Range Hood and Range Hood Cover	RSD 967,250	
Office Partition and Corridor Door Material	RSD 567,480	
Toilet Renovation Material	RSD 226,450	
Conference Table, Tea Station, Reception Desk	RSD 1,230,000	
Basement wall painting and partitioning	RSD 1,350,000	
Balcony canopy steel structure construction	RSD 680,000	
Company Logo	RSD 429,000	
Freight Charges	RSD 291,000	
Labor Cost	RSD 972,000	
Total	**RSD 9,237,180**	